

Message Text

UNCLASSIFIED

PAGE 01 RIYADH 00523 292018Z
ACTION NEA-11

INFO OCT-01 ISO-00 EB-08 /020 W
-----093318 301430Z /44

R 291110Z JUN 78
FM USLO RIYADH
TO SECSTATE WASHDC 554
USDOC WASHDC
INFO AMEMBASSY JIDDA
AMCONSUL DHAHRAN

UNCLAS RIYADH 523

EO 11652: N/A
TAGS: BDIS, SA
SUBJECT: TRADE COMPLAINT

1. AL MANAR TRADING ESTABLISHMENT IN RIYADH HAS CONTACTED USLO WITH A TRADE COMPLAINT AGAINST MERCANTILE COMMODITIES LTD. OF HASBROUCH HEIGHTS, NEW JERSEY. AL MANAR CLAIMS THAT MERCANTILE HAS FAILED TO COMPLETE DELIVERY OF HOSPITAL EQUIPMENT AND SERUMS WHICH AL MANAR NEEDS TO FULFILL A SAUDI MINISTRY OF HEALTH TENDER. MERCANTILE REPRESENTATIVES IN RIYADH ACKNOWLEDGE THAT GOODS HAVE NOT BEEN DELIVERED BUT SAY THAT AL MANAR SHOULD SEEK RECOURSE AGAINST THE MANUFACTURER, VWR SCIENTIFIC OF ROCHESTER, NEW YORK, WHICH HAS NOT MADE SHIPMENTS. MERCANTILE SEES ITSELF AS SIMPLY AN AGENT OF AL MANAR, NOT A CONTRACTING PARTY IN ITS OWN RIGHT.

2. USLO TALKED WITH BOTH PARTIES AND THE LEGAL NATURE OF THE RELATIONSHIP BETWEEN AL MANAR AND MERCANTILE IS AMBIGUOUS. AL MANAR'S CORRESPONDENCE REGARDING SHIPMENTS WAS ALWAYS WITH MERCANTILE WHICH INDICATES THAT THE CONTRACT WAS WITH MERCANTILE, NOT VWR. ON THE OTHER HAND THE TWO COMPANIES SIGNED AN AGREEMENT PRIOR TO THE TRANSACTION IN WHICH MERCANTILE WAS NAMED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 RIYADH 00523 292018Z

EXCLUSIVE U.S. AGENT FOR AL MANAR AND SHOULD SOLICIT OFFERS FOR ALL TRADING AND TENDERING REQUIREMENTS. AL MANAR HAD HAD PREVIOUS DEALINGS WITH VWR AND SPECIFIED VWR AS THE SOURCE FOR MERCANTILE PROCUREMENT. THE RELATIONSHIP IS FURTHER CONFUSED BY FACT THAT MERCANTILE REP ACTUALLY WORKED IN AL MANAR OFFICE AS MEMBER OF STAFF.

3. RECENTLY THE PARTIES HAVE PARTED COMPANY AND
MERCANTILE SENT TELEX TO AL MANAR: QUOTE MERCANTILE
COMMODITIES WAS ACTING AS YOUR AGENT IN THIS MATTER AND
WE WERE NOT SELLERS OF THE GOODS. WE, OF COURSE, DID
OUR BEST TO COMPLY WITH YOUR REQUESTS FOR SHIPMENT, HOW-
EVER DUE TO REASONS BEYOND OUR CONTROL, VWR WAS UNABLE TO
MAKE SHIPMENTS AS THEY ORIGINALLY SCHEDULED. VWR'S
EXPLANATION IS THAT THESE PRODUCTS ARE LIVE BACTERIA
REQUIRED TO PASS STRICT U.S. CONTROLS, WHICH IS SEEMS IN
SOME CASES THE PRODUCT FAILED, AND NEW CULTURES HAD TO
BE PREPARED FOR NATURAL GROWTH. IN VIEW OF THESE
UNCONTROLLABLE CIRCUMSTANCES WE MUST INFORM
YOU THAT WE ARE NO LONGER IN ANY WAY INVOLVED IN THE
HANDLING OF THESE SHIPMENTS. UNQUOTE.

4. CONTINUED DELAY WILL RESULT IN SUBSTANTIAL
DAMAGE TO AL MANAR. WHILE ABOUT TWO-THIRDS OF THE
70,
00 DOLLAR ORDER HAS BEEN FILLED THE MINISTER DEMANDS
FULL PERFORMANCE BEFORE IT WILL PAY ANYTHING. SALVAGE
BY RESALE IMPOSSIBLE HERE. 6,000 DOLS LATE PENALTY HAS
ALREADY BEEN IMPOSED BY THE MINISTRY AND AN ADDITIONAL
8,000 WILL BE REQUIRED BY DEFAULT BOND. AL MANAR IS
THREATENING LEGAL ACTION TO RECOUP DAMAGES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 RIYADH 00523 292018Z

5. POST REQUESTS USDOC CONTACT MERCANTILE (TEL: 201-288-
4710) AND VWR SCIENTIFIC (212-294-3000) IN EFFORT TO
RESOLVE DISPUTE. WHILE CURRENT L/C EXPIRES JUNE 31, AL
MANAR IS WILLING TO RENEW IT IF PROMPT SHIPMENT CAN BE
ARRANGED.
GRANINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978RIYADH00523
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780270-0994
Format: TEL
From: RIYADH
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978067/aaaaafsv.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bab8568b-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2391624
Secure: OPEN
Status: NATIVE
Subject: TRADE COMPLAINT
TAGS: BDIS, SA
To: STATE COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/bab8568b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014